

Fall 2019

FIN 403-101: Financial Statement Analysis

William Tamke

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Martin Tuchman School of Management

FIN / ACCT 403-101: Financial Statement Analysis – 2019 FALL

Thursday 6:00 – 8:50 pm ... FMH 110

Syllabus

INSTRUCTOR	William Tamke
OFFICE	4032, CAB 4th Floor, MTSOM
EMAIL	william.r.tamke@njit.edu
OFFICE HOURS	Monday 4:00-6:00 pm or by appointment

Contacting the Instructor: E-mail is best; in the subject line please state: FIN403.

Course Description: Prerequisites FIN 218 and FIN 315. This course offers comprehensive coverage of analysis of financial statements so that students can: a) evaluate the financial position of a firm; b) assess the firm's inherent value and the value of its securities; c) assess the firm's obligations and its ability to meet them; and d) analyze sources and uses of cash.

Course Objectives

- Develop a thorough understanding of Fundamental Analysis ... the information financial statements communicate.
- Understand the impact of financial accounting principles, disclosure standards, and alternative accounting practices on financial reports.
- Assess the profitability, risk, and growth of a firm.
- Prepare an Excel spreadsheet to facilitate fundamental analysis.
- Prepare a comprehensive written assessment of a firm.
- Become fluent in accounting terminology to communicate effectively in a business environment.

REQUIRED MATERIALS

Easton, P.D., M.L. McAnally, G.A. Sommers, and X.J. Zhang, *Financial Statement Analysis and Valuation, Fifth Edition*, Cambridge Business Publishers, 2018 [ISBN: 978-1-61853-233-6].

There are at least three purchase options (note—if one purchases a used text, one must still purchase MyBusinessCourse access):

1. eBook subscription = \$120 for 6 months, **includes free access code to myBusinessCourse**
<https://cambridgepub.com/book/financial-statement-analysis-valuation-5e#purchase>

Preview book at: <https://cambridgepub.com/ereader/4667/?preview#page/i>

2. New book purchase = \$238 (+shipping?), **includes free access code to myBusinessCourse**
<https://cambridgepub.com/book/financial-statement-analysis-valuation-5e#purchase>

3. New book purchase = \$256.75 at NJIT Bookstore, **includes free access code to myBusinessCourse**

• *myBusinessCourse*— Online Learning System (Required)

1. Visit [<https://mybusinesscourse.com/?code=>]
2. Click "Enroll" (For help see: https://mybusinesscourse.com/user_guide/student)
3. Create an account/login (**Enter UW ID# in front of your first name** in "first name" field; such as "1234567890-Sue")
4. Enter new book access code OR select "Purchase Access"

Note: See access / enrollment / registration instructions for MyBusinessCourse last page of this syllabus.

Learning Goals and Outcomes addressed in this course:

Analytical and Problem Solving Skills	Information and Communication Skills	Interpersonal Skills and Team Dynamics	Ethical Reasoning	Technology Skills	Global Perspective
XXX	XX	XX	X	XX	X

Analytical and Problem Solving Skills

Develop skills to critically analyze business problems.

Apply these skills to the Financial Statement Analysis Project, which requires critical thinking and strong problem solving skills.

Information and Communication Skills

Deliver an effective presentation skills using visual aids and answer questions pertaining to the presentation.

Advance skills that enable effective business writing.

Practice articulating accounting and finance concepts and gaining perspective on discussion questions through class participation.

Apply these skills to the preparation of a Financial Statement Analysis Project.

Interpersonal Skills and Team Dynamics

Demonstrate the skills of working alone and in teams and achieving common goals.

Develop management and leadership skills.

Understand team roles and relationships that foster cooperation toward goals.

Learn how to manage expectations and deadlines.

Ethical Reasoning

Develop a sense of ethical and professional behavior.

Technology Skills

Prepare effective Excel spreadsheets, graphs, and a PowerPoint presentation.

Complete homework assignments online using MyBusinessCourse.

Globalization

Understand the impact of globalization and the complexity it brings.

GRADING AND EVALUATION:

Midterm Exams (2)	200 points
Final Exam	200 points
Financial Statement Analysis Project (FSAP)	250 points
Homework in MyBusinessCourse	150 points
Quizzes / Special Assignments / Participation / Etc.	100 points
Total ...	900 points

- **Note:** Categories and Category points may be adjusted to meet the needs of the course and students.
- Participation includes attendance.
- Homework Assignments can be found in MyBusinessCourse or at <http://canvas.njit.edu>
- Quizzes are given on previously covered material. There are NO make-up quizzes.
- Late assignments are NOT accepted.
- Extra credit is NOT available

Grading Scale

A	90.0 – 100%
B+	86.0 – 89.9
B	80.0 – 85.9
C+	76.0 – 79.9
C	70.0 – 75.9
D	60.0 – 69.9
F	0.0 – 59.9

Grades are to reflect the level of understanding of course content.

Therefore, to achieve the grade of A or B in this class expect to:

- **Attend 100% of the classes.** During class new content is explained and then applied using in-class exercises and activities for better understanding.
- **Come to class prepared 100% of the time.** This means completing homework prior to class to the best of your abilities. Bring your questions to class. To maximize learning and your competitiveness in the workplace, develop a good work ethic ...

Read, study, complete assignments, and persevere.

- **Actively participate in class** discussions, exercises, and activities to further understanding.

Expect the grade of C or lower with less preparation and participation.

Incompletes (I) are only given under special circumstances such as severe illness ... not for being unprepared for class or exams.

ACADEMIC INTEGRITY!

“Academic Integrity is the cornerstone of higher education and is central to the ideals of this course and the university. Cheating is strictly prohibited and devalues the degree that you are working on. As a member of the NJIT community, it is your responsibility to protect your educational investment by knowing and following the academic code of integrity policy that is found at:

<http://www5.njit.edu/policies/sites/policies/files/academic-integrity-code.pdf>.

*Please note that it is my professional obligation and responsibility to report any academic misconduct to the Dean of Students Office. **Any student found in violation of the code by cheating, plagiarizing or using any online software inappropriately will result in disciplinary action. This may include a failing grade of F, and/or suspension or dismissal from the university.** If you have any questions about the code of Academic Integrity, please contact the Dean of Students Office at dos@njit.edu”*

CLASSROOM CODE OF CONDUCT

To maximize learning and help transition to a professional work environment.

Success in business depends on the combined performance of the professional team, not the self-centered interests of one individual. Similarly, a good learning environment is collectively created and requires the contribution of ALL students within the class. To maximize classroom learning:

- **Attend regularly.** Arriving on time and departing when class is dismissed.
- **Prepare for class.** Arriving with assignments complete.
- **Engage in learning.** Being attentive during class. Giving class your undivided attention and actively contributing to discussion, exercises, and projects.
- **Show respect.** Listening attentively to others’ thoughts and ideas.

Disruptive behavior includes:

- **No Electronic Devices in Class:** Please do not use electronic devices in class. Turn off cell phones, MP3 players, laptops, etc. Taking photos or making audio/visual recordings may not be done without the expressed written permission of the instructor class. At times, for special class activity, I may ask that you bring your laptop to class.
- Engaging in side-conversations.
- Disrespecting others.
- Using language inappropriate to a professional work environment.
- Arriving late and departing before class is dismissed.

Non-compliance:

- Exhibiting behavior that disrupts the class learning environment will result in a deduction of participation points. Students may also be asked to leave class.
- After continued non-compliance a student may be permanently removed from the class.

EXAM CODE OF CONDUCT**No Cheating...it will not tolerated.**

- No electronic devices / Cell phones are to be turned off (not on vibrate) and put away.
- Approved calculators may be used.
- Bags should be zipped up and put in the front of the room.
- NO leaving the classroom once the exam starts. Therefore, before the exam plan to use the restroom, get water, etc.

COURSE SCHEDULE

	Date	MOD	TOPIC	FSAP Schedule
1	5-Sep	M1	M1 Framework for Analysis and Valuation	
2	12-Sep	M2	M2 Review of Business Activities and Financial Statements	
3	19-Sep	M3/ 4	M3 Profitability Analysis and Interpretation	FSAP: Identify Company
			M4 Credit Risk Analysis and Interpretation	
4	26-Sep		EXAM	FSAP: Edgar explanation
5	3-Oct	M5 / 6	M5 Revenue Recognition and Operating Income	FSAP: Environmental Analysis due
			M6 Asset Recognition and Operating Assets	
6	10-Oct	M8 / 9	M8 Equity Recognition and Owner Financing	FSAP: Edgar Pull due
7			M9 Intercorporate Entities	
8	17-Oct	M10	M10 Analyzing Leases, Pensions, and Taxes	FSAP: Template work
9	24-Oct		EXAM	FSAP: Template due
10	31-Oct	M11	M11 Forecasting Financial Statements	
11	7-Nov	M12 / 13	M12 Cost of Capital and Valuation Basics	FSAP: Report due
			M13 Cash-Flow-Based Valuation	
12	14-Nov	M14	M14 Operating-Income-Based Valuation	
	21-Nov			FSAP Presentations
13	26-Nov		<i>Tuesday - Thursday schedule</i>	FSAP Presentations
	28-Nov		<i>Thanksgiving Recess</i>	
14	5-Dec		Wrap-UP	
	19-Dec	?	FINAL EXAM	

NOTE: SYLLABUS SUBJECT TO CHANGE This syllabus is to be flexible in order to facilitate class learning. As such, it is subject to change according to the needs of the class as deemed appropriate by the instructor. Any necessary changes will be communicated to you.

myBusinessCourse

Required: You will be required to complete and submit assignments online, using a homework system called myBusinessCourse.

COURSE INFORMATION

Course Name	Section Name	Section Code
FIN403 Financial Statement Analysis FALL 19	Section 01	9968-5201-0672

Section Enrollment Link

<https://mybusinesscourse.com/?code=9968-5201-0672>

ACCESS OPTIONS

Enter Access Code	Purchase eBook (w/Course)	Purchase Course Only
Locate the access code inside your new textbook OR if you've purchased an eBook check your email	Access to myBusinessCourse is free with the purchase of an eBook.	If you do not have an access code from a new textbook or eBook purchase, you can purchase access to your course here.

REGISTRATION WITH SECTION ENROLLMENT LINK

Use the information below to register for your Instructor-led section:

1. Follow or copy & paste the Student Enrollment Link into your browser
2. Select "Enroll"
3. Create an account, or login with an existing account
4. Choose the appropriate Access Option

STUDENT SUPPORT

View the user guide: https://mybusinesscourse.com/support?user_guide=161737

To contact support directly, please visit: <https://mybusinesscourse.com/support>